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August 4, 1949

TO: The Central Intelligence Agency
Office of Reports and Estimates

FROM: Allan Evans,
Director, Office of Intelligence Research
Department of State

SUBJECT: CIA Intelligence Memorandum No. 202

1. The Intelligence Organization of the Department of State dissents from CIA Intelligence Memorandum No. 202.

2. The Intelligence Organization of the Department of State believes that available evidence indicates that the USSR is unlikely deliberately to resort to direct military action during 1949. We do not feel, however, that this evidence is of such nature as to justify CIA's estimate that the USSR will not resort to military action "during the next decade". The international situation generally, and Soviet intentions and capabilities particularly, are so fluid that it appears impossible to anticipate Soviet actions during such an extended period.

3. The danger of an unintended outbreak of hostilities through miscalculation has undoubtedly been reduced through the lifting of the Berlin blockade and the establishment of a modus vivendi in Berlin and Germany generally. The revival of Four Power consultation through the CFM has also served to relieve somewhat international tension, and immediate pressures have been eased in Austria, Trieste, and, to some extent, in Greece.

4. It is by no means certain, however, that these developments have basically altered the situation which existed through 1948. In each instance the new conditions are tenuous and may be altered by Soviet action at any moment. Soviet propaganda is placing great stress on a "reduction in international tension" following the CFM, but the nature of its treatment is such (i.e., charges that the Western Powers surrendered to the USSR position) that the campaign appears a tactic in the cold war rather than a change in policy.

5. Several of the particular points cited by CIA in support of its thesis that recent developments have basically altered the international situation are not valid.

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(a) The fact that the USSR "accepted the signing of the Atlantic Pact without threatening moves against Finland, Scandinavia, Yugoslavia, and Iran" appears to be of little significance. Though such moves were obviously possible, no evidence existed that they were in any sense probable. For the Kremlin to have acted against these areas would have meant incurring a very serious risk of war. That it failed to do so hardly indicates any less hostility toward the Atlantic Pact or to the West generally.

(b) There is no evidence to support CIA's estimate that "national deviationism" or economic difficulties are increasing in the satellite states. There is evidence of problems of both these types in the satellites, but if unsupported rumors are discounted, indications are that, excepting Albania, there are no more acute than in April 1949 (date of ONE 48-49).

adverse (c) CIA's assertion that "the USSR undoubtedly anticipates that US support of Western Europe will be substantially reduced" in view of Western economic developments in the capitalist world cannot be supported. On the basis of the evidence, there is as much, or more, reason for saying that with a recession "the USSR undoubtedly anticipates" an increase in US economic and related activity in Western Europe. The USSR without doubt has high hopes of benefits from a capitalist crisis, but that its policies in event of such a crisis will be estimated by CIA appears questionable. *as*

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